

**IOWA FINANCE AUTHORITY  
BOARD MEETING MINUTES**

**Iowa Hospital Association Education Center  
100 E. Grand Avenue, First Floor  
Des Moines, Iowa**

**December 7, 2005**

**BOARD MEMBERS PRESENT**

Vincent Lintz, Chair	Roger Caudron
Kay Anderson, Vice Chair (Via Telephone)	Heather Kramer
Carmela Brown, Treasurer	Douglas Walter
Steve Adams (Via Telephone)	Dick Wright
Virginia Bordwell	

**STAFF MEMBERS PRESENT**

Bret L. Mills, Executive Director	Shawna Lode, Communications Director
Lori Beary, Community Development Director	Sharon Murphy, Housing/Grants Specialist
Roger Brown, Section 8 Director	Loyd Ogle, Director of Title Guaranty Division
Mickey Carlson, Single Family Program Manager	Carla Pope, Service Enriched Housing Director
Donna Davis, Deputy Director/Director of Affordable Housing Programs	Callie Sheil, Secretary
Dennis Dietz, Director of Policy and Governmental Affairs	James Smith, Deputy Director/CFO
Alyson Fleming, Administrative Assistant	Mark Thompson, General Counsel
Steven Harvey, Director of Operations	Tim Waddell, Low-Income Housing Tax Credit Manager
	Nancy Wallis, Administrative Assistant

**OTHERS PRESENT**

Ron Beach-Natural Pork Production	Doug LaBounty-Community Housing Initiatives
Kristi Boyce-Wells Fargo bank Iowa, N.A.	Marsha Peterson-Habitat for Humanity of Iowa
Bob Burns-Burns & Burns, L.C.	Jeff Previdi-Standard & Poor's Iowa
Jim Conlin-Conlin Properties	Bruce Ray-Dept. of Housing & Urban Development
Karen Flores-Standard & Poor's	Bill Reinke-HOUSES, Inc.
Dan Garrett-Iowa Equity Fund	Lew Weinberg-Weinberg Investments
Wayne Goedken-Natural Pork Production	
David Grossklaus-Dorsey & Whitney	
Al Hans-Piper Jaffray	
Nicole Jones-Treasurer of State's Office	

**CALL TO ORDER**

Chair Lintz called to order the December 7, 2005, regular meeting of the Iowa Finance Authority (IFA) Board of Directors at 11:00 a.m. Roll call was taken and a quorum was established with the following members present: Lintz, Anderson, Brown, Adams, Bordwell, Caudron, Kramer, Walter, and Wright.

## **REVIEW AND APPROVAL OF MINUTES**

### **November 2, 2005**

Chair Lintz introduced the minutes of the November 2, 2005, meeting of the Iowa Finance Authority Board of Directors.

**MOTION:** On a motion by Mr. Walter and a second by Ms. Bordwell the Board unanimously approved the minutes of the November 2, 2005, meeting.

## **ADMINISTRATION/MANAGEMENT REPORT**

Mr. Mills stated that he had a discussion with the Office of State and Federal Relations and to develop an agenda of seven items that he will be discussing with the Board members in future meetings.

He also that he and other IFA staff, and representatives from Standard and Poor's met with some Legislator's and caucus staff regarding IFA's issuer credit rating.

Mr. Mills noted that he attended the National Governor's Association Policy Academy along with some Legislator's, representatives from the Governor's office, Department of Cultural Affairs, and Economic Development. The goal was to develop techniques for better coordination of housing resources in the State and find ways to leverage funds more effectively.

Mr. Mills also reported that Ms. Lori Beary will be working with the Department of Economic Development to coordinate State Revolving Fund (SRF) and Community Development Block Grants (CDBG).

## **LEGAL / REGULATORY**

Mr. Thompson stated that The Central States Development case had been decided in IFA's favor. He reported that The Plaintiff's have 30 days if they wish to appeal.

### **Final Action Re: 265 IAC Chapter 26; Water Pollution Control Works and Drinking Water Facilities Financing**

Mr. Thompson introduced the Final Action Re: 265 IAC Chapter 26; Water Pollution Control Works and Drinking Water Facilities Financing. He mentioned that these were noticed at the September 2005 Board meeting and that no changes have been made.

**MOTION:** On a motion by Ms. Brown and a second by Mr. Wright, the Board unanimously approved the Final Action Re: 265 IAC Chapter 26; Water Pollution Control Works and Drinking Water Facilities Financing.

### **Notice of Intended Action Re: 265 IAC Chapter 9; Title Guaranty Division**

Mr. Thompson introduced the Notice of Intended Action Re: 264 IAC Chapter 9; Title Guaranty Division rules. He referred to the written information in the Board materials and said that the rules have been amended to include revise the definition of the term "abstract", and to better facilitate the issuance of Title Guaranties in non-purchase situations.

Mr. Thompson stated that the plan is to file the rules emergency after notice.

Mr. Ogle explained the rules briefly and stated that there have been some changes but the overall concept has not changed. He also noted that the non-purchase product can be used even if there is not a prior Title Guaranty certificate on the property.

**MOTION:** Ms. Bordwell made a motion to approve the Notice of Intended Action Re: 265 IAC Chapter 9; Title Guaranty Division. On a second by Mr. Adams, the Board unanimously approved the Notice of Intended Action Re: 265 IAC Chapter 9; Title Guaranty Division.

## **FINANCE AND ACCOUNTING**

### **Finance Update**

Mr. Harvey referred to the financial information in the Board packets. He said that because of the presentation by Standar & Poor's and Piper Jaffray, he would delay until the detailed financial presentation until the January meeting.

### **Approval of Financial Statement**

**MOTION:** On a motion by Mr. Walter and a second by Ms. Kramer, the Board unanimously approved the October 2005 financial statement.

Ms. Brown left at 12:05p.m.

### **Piper Jaffrey Capital Adequacy Report Update**

Mr. Mills introduced Mr. Al Hans of Piper Jaffray. Mr. Hans reviewed the Capital Adequacy Report that was distributed, and said a report would be given annually.

### **Standard and Poor's Presentation Re: Issuer Credit Rating**

Mr. Jeff Prevodi, Director of Standard & Poor's, introduced himself and Ms. Karen Flores, Assistant Director of Standard and Poor's. Mr. Prevodi discussed the background of the Issuer Credit Rating that IFA received last year. He also spoke briefly about what an Issuer Credit Rating is and who uses it. Ms. Flores spoke about the criteria that is used to arrive at the issuer credit ratings.

## **ECONOMIC DEVELOPMENT LOAN PROGRAM**

### **ED Loan #05-24A, Amity Fellowserve**

Ms. Beary introduced the application for \$5,500,000 of Iowa Finance Authority Elder Care Facility Revenue Refunding Bonds for Amity Fellowserve in Waterloo. The bonds will be used to refinance outstanding 1998 bonds to improve the borrower's cash flow. This project will not require Private Activity Bond Cap.

### **MOTION:**

Ms. Anderson made a motion to approve the application for \$5,500,000 of Iowa Finance Authority Elder Care Facility Revenue. On a second by Mr. Caudron, the Board unanimously approved Resolution #05-24A.

### **ED Loan #05-25A, Unity HealthCare**

Ms. Beary introduced the application for \$16,000,000 of Iowa Finance Authority Health Care Facility Revenue Bonds for Unity HealthCare in Muscatine. The bonds will be used for the rehabilitation of the main hospital building as well as other improvements on the site. This project will not require Private Activity Bond Cap.

### **MOTION:**

Mr. Walter made a motion to approve the application for \$16,000,000 of Iowa Finance Authority HealthCare Facility Revenue Bonds for Unity HealthCare in Muscatine. On a Second by Ms. Bordwell, the Board unanimously approved Resolution #05-25A.

### **ED Loan #05-26A, Behr Mason City LLC**

Ms. Beary introduced an application for \$5,000,000 of Iowa Finance Authority Manufacturing Facility Revenue Bonds for Behr Mason City, LLC in Mason City. The bonds will be used for constructing a facility to process scrap metal to produce shredded steel and nonferrous metals. This project will require Private Activity Bond Cap.

### **MOTION:**

Mr. Adams made a motion to approve the application for \$5,000,000 of Iowa Finance Authority Manufacturing Facility Revenue Bonds for Behr Mason City, LLC in Mason City. On a second by Mr. Wright, the Board unanimously approved Resolution #05-26A.

**ED Loan #05-27, Rosewood/Kenwood LP Project**

Ms. Beary introduced the application for \$2,500,000 of Iowa Finance Authority Multifamily Housing Revenue Bonds for the Rosewood/Kenwood Limited Partnership Project in Des Moines. The bonds will be used for the acquisition and rehabilitation of 108 affordable units in 4 buildings. This project will require Private Activity Bond Cap.

**MOTION:**

Mr. Wright made a motion to approve the application for \$2,500,000 of Iowa Finance Authority Multifamily Housing Revenue Bonds for the Rosewood/Kenwood Limited Partnership Project in Des Moines. On a second by Ms. Anderson, the Board unanimously approved Resolution #05-27A.

**Public Hearing for ASA Limited Partnership, Ashley Square Project**

Mr. Vince Lintz opened the public hearing at 12:14 p.m. regarding the issuance of an amount not to exceed \$6,391,000 of Iowa Finance Authority Multifamily Housing Revenue Bonds. The bonds will be used for the acquisition and rehabilitation of a 144-unit apartment complex. There being no verbal or written comments from the audience, Mr. Lintz closed the public hearing at 12:15 p.m.

**Public Hearing for Jennie Edmundson Memorial Hospital**

Mr. Lintz opened the public hearing at 12:15 p.m. regarding the Iowa Finance Authority entering into a lease obligation in an amount not to exceed \$1,600,000 for the Jennie Edmundson Memorial Hospital in Council Bluffs. The obligation will be used for the acquisition and installation of an MRI system and associated remodeling cost. There being no verbal or written comments from the audience, Mr. Lintz closed the public hearing at 12:16 p.m.

**ED Loan #05-12B, Jennie Edmundson Memorial Hospital**

Ms. Beary introduced the resolution authorizing the Iowa Finance Authority to enter into a Master Lease and Sublease Agreement obligation in an amount not to exceed \$1,600,000 for Jennie Edmundson Memorial Hospital in Council Bluffs. The inducement resolution was adopted on September 7, 2005. This project will not require Private Activity Bond Cap.

**MOTION:**

Mr. Adams made a motion to approve the resolution authorizing the Iowa Finance Authority to enter into a Master Lease and Sublease Agreement obligation in amount not to exceed \$1,600,000 for Jennie Edmundson Memorial Hospital in Council Bluffs. On a second by Mr. Wright, the Board unanimously approved resolution #05-12B.

**Public Hearing for Natural Pork Production II, LLP Greene County Project**

Mr. Lintz opened the public hearing at 12:18 p.m. regarding the issuance of an amount not to exceed \$5,250,000 of Iowa Finance Authority Solid Waste Disposal Revenue Bonds for Natural Pork Production II, LLP in Bagley, Greene County. The bonds will be used for construction and equipping of the solid waste disposal facility components of a swine production facility. There being no verbal or written comments from the audience, Mr. Lintz closed the public hearing at 12:19 p.m.

**ED Loan #05-01B, Natural Pork Production II, LLP Greene County**

Ms. Beary introduced the authorizing resolution for \$5,250,000 of Iowa Finance Authority Solid Waste Disposal Revenue Bonds for Natural Pork Production II, LLP Greene County project. The inducement resolution was adopted on April 6, 2005. This project will require Private Activity Bond Cap.

**MOTION:**

Ms. Kay Anderson made a motion to approve the resolution authorizing the Iowa Finance Authority Solid Waste Disposal Revenue Bonds for Natural Pork Production II, LLP Greene County project. On a second by Virginia Bordwell the Board unanimously approved resolution #05-01B.

#### **State Revolving Fund Program**

Ms. Beary introduced a resolution to approve Planning and Design loans for the cities of Donahue, Bayard, Cambridge, Elkader, Humeston, Fairfax, and Storm Lake. These loans are at 0% interest for up to three years. The funds are used for the planning and design phases of wastewater and drinking water infrastructure projects. The total for the seven projects is \$816,245.

#### **MOTION:**

Ms. Bordwell made a motion to approve the Planning and Design loans for the cities of Donahue, Bayard, Cambridge, Elkader, Humeston, Fairfax, and Storm Lake. On a second by Ms. Anderson, the Board unanimously approved the resolution for Planning and Design Loans to seven communities.

Ms. Beary distributed a list showing these cities with SRF loans older than ten years, which will have their interest rate reduced to 3%. She stated that letters will be sent to those communities to inform them of savings.

Roger Caudron asked about the application process for the refinancing. Ms. Beary said the loans will be entered into the system and updated every six months. At the end of their ten years, they will automatically receive the 3% rate.

### **HOUSING PROGRAMS**

#### **Low-Income Housing Tax Credit Program**

##### **Resolution Re: Allocation of Additional Credits to The Antlers LP**

Ms. Davis introduced the resolution and referred to the summary that was included in the Board materials.

Mr. Wright asked how the developer was able to reduce the construction costs by \$500,000. Mr. Waddell stated that originally the developer was quoted very high estimates, and he was able to find some lower bids.

Mr. Wright then asked about the tax credits remaining from the previous funding round.

Mr. Waddell said IFA still has \$588,728 in the tax credits from the 2005 round.

#### **MOTION:**

Mr. Caudron made a motion to approve the resolution regarding the Allocation of Additional Credits to The Antlers LP. On a second by Ms. Bordwell, the Board unanimously approved the resolution.

#### **Resolution Re: Loan to Habitat for Humanity of Iowa**

Ms. Donna Davis introduced the resolution for a loan to Habitat for Humanity of Iowa, and said a summary was distributed prior to the meeting.

Ms. Marsha Peterson, CEO of Habitat For Humanity of Iowa explained that since the organizations goal is to increase production , they would make awards to those affiliates who would help meet that goal. She also mentioned that affiliates have shown more interest in this program than any other program she has available.

#### **MOTION:**

Ms. Bordwell made a motion to approve the resolution re: Loan to Habitat for Humanity of Iowa. On a second by Mr. Caudron, the Board unanimously approved the resolution.

## **TITLE GUARANTY DIVISION (TGD)**

Mr. Ogle referred to the charts included in the Board materials and updated the Board on upcoming events of TGD.

### **Transfer of Funds to Housing Programs**

Mr. Loyd Ogle announced the Title Guaranty Board of Directors approved a transfer of \$545,000 to IFA's Housing Programs.

### **MOTION:**

On a motion by Mr. Caudron and a second by Mr. Walter, the Board unanimously accepted the transfer of \$545,000 from the Title Guaranty Division to Iowa Finance Authority's Housing programs.

## **POLICY / LEGISLATION**

Mr. Dennis Dietz referred to the handout included in the Board materials.

## **COMMUNICATIONS**

Ms. Shawna Lode referred to the handouts included in the Board materials and updated the Board on upcoming conferences and events, as well as news articles that would appear in the future.

## **MISCELLANEOUS ITEMS**

Mr. Lintz discussed the Board meeting dates for the 2006 calendar year.

### **Receive Comments from General Public**

Chair Lintz opened the public comment period and asked if anyone in the audience would like to address the Board.

There being no one in the audience wishing to address the Board, Chair Lintz closed the public comment period.

### **Next Month**

The next regular meeting will be held at, 10:45 a.m. on Wednesday, January 11, 2006, at the Iowa Historical Building, 3<sup>rd</sup> Floor, Rooms A&B, Des Moines.

## **ADJOURNMENT**

There being no further business, on a motion by Mr. Caudron and a second by Mr. Walter, the November meeting of the Iowa Finance Authority Board of Directors adjourned at 1:06 p.m.

Dated this 11<sup>th</sup> day of January, 2006.

Respectfully submitted:

Approved as to form:

Bret L. Mills  
Executive Director  
Iowa Finance Authority

Vincent C. Lintz, Chair  
Iowa Finance Authority